FACT SHEET

United States et al. v. Mirant Potomac River, LLC and Mirant Mid-Atlantic, LLC (E.D.Va.)
DOJ Number 90-5-2-1-07829
Consent Decree Lodged on Sept. 27, 2004

Background

- Mirant Corporation is a global energy company, with four coal-fired power plants 3,033 megawatts (MW) in the Mid-Atlantic region that are affected by this settlement:
  - the Morgantown Generating Plant in Charles County, Md.;
  - the Chalk Point Generating Plant in Prince George's County, Md;
  - the Dickerson Generating Plant in Montgomery County, Md.; and
  - the Potomac River Generating Station in Alexandria, Va.

- In July 2003, Mirant Corporation filed for Chapter 11 bankruptcy in the Northern District of Texas. No plan of reorganization has yet been filed.

- On Jan. 22, 2004, EPA issued a Notice of Violation (NOV) to Mirant alleging that the Potomac River Generating Station exceeded its NO_x emissions limit for the 2003 ozone season by more than 1,100 tons. Virginia issued a NOV on Sept. 10, 2003, for the same violation.

- The Commonwealth of Virginia and State of Maryland are signatories to the consent decree.

Terms of Settlement

- **SCRs at Morgantown:** Install two SCRs (selective catalytic reduction devices) on Mirant Mid-Atlantic's two biggest units – Morgantown Units 1 and 2 – by May 1, 2007 and May 1, 2008, respectively, meeting a NO_x emissions rate of 0.100 lbs/mmBtu on a year-round basis. SCRs are state-of-the-art NO_x controls that reduce NO_x emissions by approximately 90 percent.

- **Low-NO_x Burners and SOFA Technology at Potomac River:** Install low-NO_x burners and Separated Over-Fire Air technology on the Potomac River Plant's Units 3, 4 and 5 by May 1, 2005. Together, LNB and SOFA technology generally provide approximately 40 percent-50 percent reduction of NOx emissions, as compared to an uncontrolled unit.

- **Ozone Season NO_x Caps:** Comply with a declining schedule of NO_x caps (1) at the Potomac River Plant that will reduce that Plant's ozone season NO_x emissions from 2,596 tons to 1,475 tons by 2010 – **a 43 percent reduction at Potomac River**, and (2) across all four plants in the system, that will reduce the system's ozone season NO_x emissions from 19,240 tons to 5,200 tons by 2010 – **a 73 percent reduction in the ozone season system-wide.**

- **Annual NO_x Caps**: Comply with a declining NO_x cap that applies to all four plants in the Mirant system and will reduce the system-wide annual NO_x emission from 44,946 tons to 16,000 tons by 2010 – **a 64 percent reduction annually.**

- **System-wide Ozone Season NO_x Rate**: Beginning on May 1, 2008, comply with a system-wide ozone season emission rate of 0.150 lb/mmBTU NO_x.

- **Civil Penalty and Environmental Projects**: Pay a civil penalty of $500,000, to be split evenly between the United States and the Commonwealth of Virginia, and spend no less than $1 million in completing nine specified environmental projects designed to decrease particulate pollution in the Alexandria, Va., area.

- **More Stringent than the NO_x SIP Call Requirements:**

  Ozone Season: The decree imposes a "hard" .150 lb/mmBTU limit, which can only be met with reductions at the four affected Mirant facilities. By contrast, the SIP Call permits Mirant to purchase NO_x allowances to comply with the same limit. In addition, beginning in 2010, the decree imposes a hard NO_x tonnage cap that is 950 tons *less than* the NO_x SIP Call allocation.

  Non-Ozone Season: Unlike the SIP Call, the decree reduces NO_x emissions in the *non*-ozone season. At Morgantown alone, these off-season reductions are nearly 5,300 tons per year. Viewed system-wide, the consent decree secures an *additional* reduction of at least 16,800 tons per year, beginning in 2010.

- **Cost of Controls**: EPA estimates that Mirant will spend approximately $133 million to comply with the specific control requirements of the settlement. Additional monies will likely be spent to control the Chalk Point and Dickerson plants in order to meet the declining system-wide tonnage caps.